

Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 08390 020936Z
ACTION STRE-00

INFO OCT-01 EUR-12 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05
SS-15 STR-07 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02
OMB-01 DOE-15 (ISO) W
-----047990 021036Z /16

P 020833Z JUN 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 0346
INFO AMEMBASSY OTTAWA

LIMITED OFFICIAL USE GENEVA 08390

USMTN
ACTION STR PASS ELECTRICALLY
STR PASS CODEL

E.O.11652:N/A
TAGS: MTN, ETRD, CA
SUBJECT: TARIFFS BILATERAL WITH CANADA RE STEEL AND
HOUSEHOLD APPLIANCES

1. SUMMARY. ON MAY 30, U.S. AND CANADIAN DELS FINISHED
INITIAL ROUND OF REQUESTS FOR IMPROVEMENTS IN EACH
OTHER'S OFFERS. U.S. PRESSED FOR IMPROVEMENTS MAINLY ON
HOUSEHOLD APPLIANCE ITEMS WHILE CANADA FOCUSED ON STEEL.
CANADIANS INQUIRED AS TO STATUS OF STEEL DISCUSSIONS,
PARTICULARLY AS THEY RELATED TO HEADNOTE IN U.S. TARIFF
OFFER AND WERE TOLD OF TENTATIVE JUNE 8-9 OECD STEEL
MEETING WHERE FULL DISCUSSION IS ANTICIPATED. END
SUMMARY.

2. USMTN DEL (HAMERSCHLAG, WHITE) MET WITH CANADIANS
(DENIS ET AL) FOR FINAL SESSION TO REVIEW U.S. AND
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 08390 020936Z

CANADIAN TARIFF OFFERS. IN RESPONSE TO OPENING QUERY,
USDEL INFORMED CANADIANS THAT DISCUSSIONS CONCERNING A
POSSIBLE STEEL PROPOSAL HAD BEEN GOING ON, LARGELY WITH
EC AND THAT AN OECD MEETING MIGHT BE HELD JUNE 8-9 TO
BRING OTHER COUNTRIES UP TO DATE. USDEL STATED THAT USG
CONCERNED WITH THE SITUATION FACED BY THE STEEL INDUSTRY
WORLDWIDE AND OVER GOVERNMENT ACTIONS TAKEN TO DEAL WITH

THE PROBLEM, AND THAT WE HOPED TO GET SOME SORT OF INTERNATIONAL UNDERSTANDING REGARDING THESE ISSUES.

3. SPECIFIC REQUESTS BY CANADA FOR IMPROVEMENTS IN U.S. STEEL OFFER WERE PRIMARILY THOSE ON CANADA'S INITIAL REQUEST LIST FOR GREATER-THAN-FORMULA CUTS. REQUESTS INCLUDED THE FOLLOWING TSUS NUMBERS: 607.35, 608.27, 680.52, 680.61, 608.62, 610.37, 610.39 AND 610.40. CANADIANS ALSO REQUESTED DATA ON 7-DIGIT STEEL BREAKOUTS IN ORDER TO DETERMINE POSSIBLE TRADE INTEREST ON NON-MANDATORILY EXCEPTED ITEMS.

4. USDEL DREW FROM RECENTLY RECEIVED TPSC REQUEST LIST IN SUGGESTING IMPROVEMENTS IN CANADIAN STEEL OFFER. MAJOR EMPHASIS WAS PLACED ON DUTY-FREE REQUEST FOR LARGE DIAMETER LINE PIPE APPARENTLY ENTERING CANADIAN TARIFF 39700. CANADIANS COMMENTED THAT THE NUMBER OF U.S. REQUESTS WAS COMPARATIVELY MODEST AND WONDERED WHETHER THIS WAS INDICATIVE OF U.S. INTENTIONS IN STEEL SECTOR.

5. USDEL INDICATED OUR DESIRE FOR IMPROVEMENT IN THE MODEST CANADIAN OFFER ON APPLIANCES. WE NOTED THIS IS EVIDENTLY A SENSITIVE SECTOR IN CANADA BUT SUGGESTED THAT GREATER TARIFF CUTS MIGHT BE ACCOMMODATED BY SLOWER STAGING TO ALLOW FOR RESTRUCTURING OF THE INDUSTRY. IN RESPONSE TO A CANADIAN QUESTION REGARDING THE POSSIBILITY LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 08390 020936Z

OF DELAYED IMPLEMENTATION, USDEL WAS NONCOMMITAL BUT DID NOT RULE OUT THIS APPROACH. SPECIFIC SUGGESTIONS FOR IMPROVEMENTS WERE AGAIN BASED ON TPSC LIST. USDEL REQUESTED DATA FROM CANADA ON WHETHER U.S. EXPORTS OF SEWING MACHINES AND PARTS (41525) WERE PRIMARILY PARTS. (COMMENT: MTN DEL WONDERS WHETHER DOMESTIC SEWING MACHINES ARE STILL MADE IN THE U.S. AND WHETHER OUR INTEREST IS PERHAPS ONLY IN THE PARTS. END COMMENT.) REGARDING MAJOR HOUSEHOLD APPLIANCES IN MACHINERY BASKET (42700), USDEL SUGGESTED 5 PERCENT, NOTING THAT THIS BREAKOUT INCLUDED MANY DIFFERENT PRODUCTS. USDEL SUGGESTED FURTHER BREAKOUT, PERHAPS SEPARATING MAJOR APPLIANCES (E.G., AIR CONDITIONERS) FROM SMALL APPLIANCES. CANADIANS SUGGESTED THAT THE U.S. IDENTIFY SPECIFIC PRODUCTS OF INTEREST.

6. USDEL BROUGHT UP THE QUESTION OF PROPOSED CANADIAN EX-OUT OF DATA-ENTRY MACHINES. UNDER EXISTING CONCESSIONS FOR MACHINERY ITEM 42700, TARIFF WOULD GO TO DUTY-FREE IF PRODUCTION CEASED IN CANADA. USDEL ASKED IF THIS WOULD STILL BE THE CASE IF CANADIANS ESTABLISHED A NEW TARIFF CATEGORY FOR THIS ITEM. USDEL STATED THAT

THE RATE OFFERED WOULD INFLUENCE U.S. DECISION ON
RESERVING RIGHTS ON EARLIER CONCESSION. CANADIAN DEL
RESPONDED THAT THEY HAVE NOT RULED OUT CONTINUING TO APPLY
THE CURRENT DUTY REMISSION SCHEME.

7. DRAFTED BY WHITE. MCDONALD

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: STEEL, TARIFFS, NEGOTIATIONS, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978GENEVA08390
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780230-1210
Format: TEL
From: GENEVA USMTN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197806104/aaaadlbn.tel
Line Count: 122
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0967147d-c288-dd11-92da-001cc4696bcc
Office: ACTION STRE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2149264
Secure: OPEN
Status: NATIVE
Subject: TARIFFS BILATERAL WITH CANADA RE STEEL AND HOUSEHOLD APPLIANCES
TAGS: ETRD, CA, US, MTN
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/0967147d-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014